

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOLIN RURAL ELECTRIC COOPERATIVE)	
CORPORATION PASS-THROUGH OF EAST)	CASE NO.
KENTUCKY POWER COOPERATIVE, INC.)	2010-00178
WHOLESALE RATE ADJUSTMENT)	

O R D E R

On May 27, 2010, Nolin Rural Electric Cooperative Corporation (“Nolin”) submitted an application to pass through any wholesale rate adjustment granted to East Kentucky Power Cooperative, Inc. (“EKPC”) in Case No. 2010-00167.¹ Nolin submitted its application pursuant to the authority of KRS 278.455(2) and 807 KAR 5:007, Sections 1(3) and 2(2).

In its application, Nolin described how its proposed pass-through rates were developed:

Nolin RECC hereby states that the effects of the increase in rates from its wholesale supplier, EKPC, are being passed through to its retail tariffs on a proportional basis and that the rate design structure proposed for each retail rate schedule does not change the rate design currently in effect.

KRS 278.455(2) provides that a distribution cooperative may change its rates to reflect a change in the rate of its wholesale supplier if the effects of an increase or decrease are allocated to each class and within each tariff on a proportional basis that will result in no change in the rate design currently in effect. Further, 807 KAR 5:007,

¹ Case No. 2010-00167, Application of East Kentucky Power Cooperative, Inc. for General Adjustment of Electric Rates (Ky. PSC Jan. 14, 2011).

Section 2(2), provides that the distribution cooperative shall file an analysis demonstrating that the rate change does not alter the rate design currently in effect and that the revenue change has been allocated to each class and within each tariff on a proportional basis.

Nolin serves AGC Automotive (“AGC”), one of three EKPC direct-served customers, pursuant to a special contract under EKPC’s rate Schedule G. In its application, Nolin allocated the EKPC wholesale increase to AGC on a proportional basis. A settlement agreement (“EKPC Rate Settlement”) was entered into and approved by the Commission in Case No. 2010-00167 authorizing a \$43 million wholesale increase for EKPC. The EKPC Rate Settlement made recommendations regarding the pass-through of the wholesale increase to special contract customers. Page 6, paragraph 4 of the EKPC Rate Settlement states that the amount of the increase determined for Gallatin Steel Company (“Gallatin”) should be the amount passed through by Owen Electric Cooperative, Inc. (“Owen”).² In addition, the EKPC Rate Settlement stated that, “[t]he Parties recommend that the Commission find that this approach is consistent with the provisions of KRS 278.455(3) and the Parties further agree and recommend to the Commission that this approach and finding is appropriate to other customers on tariff rate Schedule G.”

KRS 278.455(3) states:

Any rate increase or decrease as provided for in subsections (1) and (2) of this section shall not apply to special contracts under which the rates are subject to adjustment only as stipulated in the contract.

² Gallatin was an intervenor in Case No. 2010-00167 and a signatory to the EKPC Rate Settlement. Owen serves Gallatin, which is an EKPC direct-served customer.

In approving the EKPC Rate Settlement, the Commission determined that the amount of the increase allocated to Gallatin under the settlement should be the amount passed through to Gallatin by Owen. The Commission also stated that this approach is consistent with the provisions of KRS 278.455(3) and is appropriate for customers on EKPC's tariff rate Schedule G.

When filing its proposed allocations based on the EKPC Rate Settlement, Nolin provided two alternative methods for allocating the wholesale increase, one being proportional for all rate classes and the second being a direct assignment to AGC with the remaining amount allocated to its other rate classes on a proportional basis. Nolin stated that it provided two alternate methods because the special contract with AGC "does not specify how the allocation of any revenue increase or decrease from EKPC is to be handled."³

The Commission has reviewed both approaches proposed by Nolin to pass through the increase in the wholesale rates of EKPC and to allocate such increase to its retail rates. Based upon this review, the Commission finds that Nolin's revised approach which directly assigns the increase to AGC with the remaining amount allocated to its other rate classes on a proportional basis complies with the provisions of KRS 278.455(2), KRS 278.455(3) and 807 KAR 5:007, Section 2(2), is consistent with the provisions of the approved EKPC Rate Settlement and, therefore, should be accepted.

The Commission issued an Order today in Case No. 2010-00167 authorizing a \$43 million annualized increase in EKPC's wholesale rates effective for service

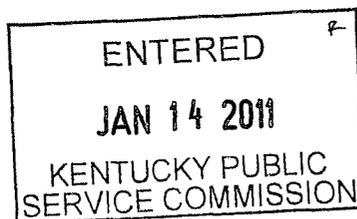
³ Revised Supplemental Information filed by Nolin on December 15, 2010, Item 2.

rendered on and after today's date. According to Nolin, this will increase its wholesale power cost by \$2,631,990 annually.⁴

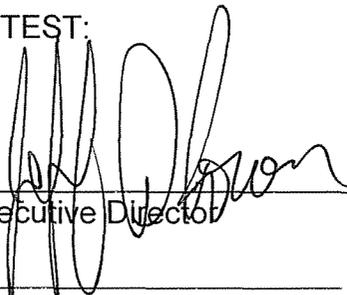
IT IS THEREFORE ORDERED that:

1. The proposed rates submitted with Nolin's application are rejected.
2. The revised approach proposed by Nolin to allocate its portion of the increase in wholesale rates authorized in Case No. 2010-00167 which directly assigns the increase to AGC with the remaining amount allocated to its other rate classes on a proportional basis is accepted.
3. The rates set forth in the tariff sheets in the Appendix hereto are approved for service rendered on and after the date of this Order.
4. Within 20 days of the date of this Order, Nolin shall file its revised tariffs with this Commission setting out the rates approved herein and stating that they were approved pursuant to this Order.

By the Commission



ATTEST:



Executive Director

⁴ Id.

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2010-00178 DATED JAN 14 2011

FOR ENTIRE SERVICE AREA

Nolin RECC
411 Ring Road
Elizabethtown, KY 42701-6767

PSC KY NO. 10
13th Revision Sheet No. 22

CANCELING PSC KY NO. 10
12th Revision Sheet No. 22

CLASSIFICATION OF SERVICE

SCHEDULE 2 - COMMERCIAL, SMALL POWER, SINGLE PHASE AND THREE PHASE SERVICE

APPLICABLE: Entire Service Area

AVAILABILITY OF SERVICE: Available to commercial members and small power loads requiring transformer capacity of 50 KVA or less, single phase and commercial members requiring three phase service with 50 KVA or less of total transformer capacity all subject to the established rules and regulations of the Cooperative.

TYPE OF SERVICE: Single phase 120/240 volts and three phase service where available at available voltages.

RATES PER MONTH:

Customer Charge	\$16.82	(I)
All KWH Charge	\$0.09942 per KWH	(I)

FUEL ADJUSTMENT CLAUSE: The above rate may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

MINIMUM CHARGE: The minimum monthly charge for service shall be \$16.82. (I)

DATE OF ISSUE	May 27, 2010	DATE EFFECTIVE	Service rendered on and after July 1, 2010
ISSUED BY	_____	President & CEO	411 Ring Road Elizabethtown, KY 42701-6767
	NAME	TITLE	ADDRESS

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2010-00178, Dated _____.

FOR ENTIRE SERVICE AREA

Nolin RECC
411 Ring Road
Elizabethtown, KY 42701-6767

PSC KY NO. 10
11th Revision Sheet No. 26

CANCELING PSC KY NO. 10
10th Revision Sheet No. 26

CLASSIFICATION OF SERVICE

SCHEDULE 4 - INDUSTRIAL

APPLICABLE: Entire Service Area

AVAILABILITY OF SERVICE: Available to Members located on or near Cooperatives three phase lines whose transformer capacity would be less than 1000 KVA and the demand would be 100 kw or more. All subject to the established rules and regulations of the Cooperative.

TYPE OF SERVICE: Three phase 60 cycle at available voltages, as agreed to in the five (5) year contract for service.

RATES PER MONTH:

Demand Charge:

\$4.95 per kilowatt of billing demand per month (I)

Energy Charge:

First 3,500 KWH per month	\$0.08916 net per KWH	(I)
Next 6,500 KWH per month	\$0.07457 net per KWH	(I)
Over 10,000 KWH per month	\$0.07078 net per KWH	(I)

MINIMUM CHARGE: The computed minimum monthly charge shall be as specified in the contract for service.

DETERMINATION OF BILLING DEMAND: The billing demand shall be the maximum kilowatt demand established by the Member for any period of fifteen consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter and adjusted for power factor as follows:

POWER FACTOR ADJUSTMENT: The member agrees to maintain unity power factor as nearly as practicable. Power factor may be measured at any time. Should such measurements indicate that the power factor at the time of his maximum demand is less than 90%, the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by 90% and divided by the percent power factor.

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ISSUED BY	NAME	TITLE	ADDRESS
		President & CEO	411 Ring Road Elizabethtown, KY 42701-6767

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2010-00178, Dated _____.

Nolin RECC
 411 Ring Road
 Elizabethtown, KY 42701-6767

PSC KY NO. 10
 13th Revision Sheet No. 28

CANCELING PSC KY NO. 10
 12th Revision Sheet No. 28

CLASSIFICATION OF SERVICE

SCHEDULE 5 - SECURITY LIGHTS

APPLICABLE: Entire Service Area

AVAILABILITY OF SERVICE: Available to all Members of the Cooperative subject to the established rules and regulations of the Cooperative.

TYPES OF SERVICES AVAILABLE	PER MONTH CHARGE PER UNIT	
Mercury vapor 175 watt 120 volt or HPS 100 watt on a twenty-five foot (25') pole or an existing pole	\$10.56	(I)
Directional floodlight 100 Watt HPS to be mounted on existing pole	\$ 9.11	(I)
Directional floodlight 250 Watt HPS to be mounted on existing pole	\$15.73	(I)
Directional floodlight 400 Watt HPS to be mounted on existing pole	\$21.59	(I)
Lantern Type 100 Watt HPS with twenty-foot (20') fiberglass colonial post for underground service only	\$13.36	(I)
Contemporary Type 400 Watt HPS - for underground service only; to be used with the thirty-foot fiberglass pole - (Charge does not include pole.)	\$23.06	(I)
Thirty-foot (30') fiberglass pole; to be used with underground services only	\$10.63	
Twenty-five foot (25') wood pole for overhead services only - (charge does not include lighting fixture)	\$ 2.46	
Thirty-foot (30') wood pole for overhead services only - (charge does not include lighting fixture)	\$ 2.84	
Twenty-five foot (25') wood pole for underground services only - (charge does not include lighting fixture)	\$ 3.44	
Thirty-foot (30') wood pole for underground services only - (charge does not include lighting fixture)	\$ 3.83	

DATE OF ISSUE May 27, 2010	DATE EFFECTIVE Service rendered on and after July 1, 2010
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ISSUED BY _____	President & CEO	411 Ring Road Elizabethtown, KY 42701-6767
NAME	TITLE	ADDRESS

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2010-00178, Dated _____.

FOR ENTIRE SERVICE AREA

Nolin RECC
411 Ring Road
Elizabethtown, KY 42701-6767

PSC KY NO. 10
14th Revision Sheet No. 31

CANCELING PSC KY NO. 10
13th Revision Sheet No. 31

CLASSIFICATION OF SERVICE

SCHEDULE 6 - STREET LIGHTING (Cont'd.)

RATE:

Mercury Vapor (M.V.) or High Pressure Sodium (H.P.S.), Series or Multiple

STANDARD OVERHEAD (WOOD POLE):

	<u>Watts/Light</u>		
8,500 M.V. initial lumens	175	\$ 6.80 per light per mth	(I)
23,000 M.V. initial lumens	400	\$19.27 per light per mth	(I)
9,500 H.P.S. initial lumens	100	\$ 9.99 per light per mth	(I)
27,500 H.P.S. initial lumens	250	\$15.34 per light per mth	(I)
50,000 H.P.S. initial lumens	400	\$20.07 per light per mth	(I)

ORNAMENTAL SERVICE OVERHEAD (Aluminum Poles)

	<u>Watts/Light</u>		
8,500 M.V. initial lumens	175	\$8.53 per light per mth	(I)
23,000 M.V. initial lumens	400	\$21.09 per light per mth	(I)
9,500 H.P.S. initial lumens	100	\$22.24 per light per mth	(I)
27,500 H.P.S. initial lumens	250	\$26.71 per light per mth	(I)
50,000 H.P.S. initial lumens	400	\$30.65 per light per mth	(I)

ORNAMENTAL SERVICE UNDERGROUND (Fiberglass Poles)

	<u>Watts/Light</u>		
50,000 H.P.S. initial lumens	400	\$35.53 per light per mth	(I)
15,500 H.P.S. initial lumens	150	\$34.03 per light per mth	(I)
Special Colonial with 20' fluted pole			

FUEL ADJUSTMENT CLAUSE: The above rate may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

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<u>ISSUED BY</u> _____	411 Ring Road Elizabethtown, KY 42701-6767
<u>NAME</u>	<u>TITLE</u>
	<u>ADDRESS</u>

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. 2010-00178, Dated _____.

FOR ENTIRE SERVICE AREA

Nolin RECC
411 Ring Road
Elizabethtown, KY 42701-8701

PSC KY NO. 10
11th Revision Sheet No. 32

CANCELING PSC KY NO. 10
10th Revision Sheet No. 32

CLASSIFICATION OF SERVICE

SCHEDULE 7 - INDUSTRIAL

APPLICABLE: Entire Service Area - where three phase service is available at available voltages.

AVAILABILITY: Available to all commercial and industrial Members whose kilowatt demand shall exceed 500 kw for lighting and/or heating and/or power, and whose demand charges will track the wholesale power suppliers.

TYPE OF SERVICE: Three phase 60 hertz at 12,470 volts, primary service as agreed to in the special five year Agreement for Service.

RATES PER MONTH:

Demand Charge:

\$9.04 per kilowatt of billing demand per month (I)

Energy Charge:

All KWH at \$0.06555 net per KWH (I)

MINIMUM CHARGE: The computed minimum monthly charge shall be as specified in the Special Contract for service.

DETERMINATION OF BILLING DEMAND: The billing demand shall be the maximum kilowatt demand established by the Member for any period of fifteen consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter and adjusted for power factor as follows:

POWER FACTOR ADJUSTMENT: The member agrees to maintain unity power factor as nearly as practicable. Power factor may be measured at any time. Should such measurements indicate that the power factor at the time of his maximum demand is less than 90%, the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by 90% and divided by the percent power factor.

DATE OF ISSUE	May 27, 2010	DATE EFFECTIVE	Service rendered on and after July 1, 2010
ISSUED BY	NAME	TITLE	ADDRESS
		President & CEO	411 Ring Road Elizabethtown, KY 42701-6767

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Case No. 2010-00178, Dated _____.

FOR ENTIRE SERVICE AREA

Nolin RECC
411 Ring Road
Elizabethtown, KY 42701-6767

PSC KY NO. 10
10th Revision Sheet No. 34

CANCELING PSC KY NO. 10
9th Revision Sheet No. 34

CLASSIFICATION OF SERVICE

SCHEDULE 8 - SEASONAL TIME OF DAY

APPLICABLE: Entire service area where three phase service is available.

AVAILABILITY: Available to all commercial and industrial Members whose kilowatt demand shall exceed 500 kw for lighting and/or heating and/or power, and whose demand charges will track the wholesale power suppliers.

TYPE OF SERVICE: Three phase 60 hertz voltages as agreed to in the five (5) year Contract for Service.

*RATES PER MONTH:

Demand Charge: \$8.93 per kilowatt of billing demand per month (I)

Energy Charge: All KWH at \$0.06555 net per KWH (I)

MINIMUM MONTHLY CHARGE: The computed minimum monthly charge shall be as specified in the Contract for service.

DETERMINATION OF BILLING DEMAND: The billing demand shall be the maximum kilowatt demand established by the Member for any fifteen (15) minutes interval (adjusted for power factor) in the below listed hours for each month.

<u>MONTHS</u>	<u>E.S.T. HOURS APPLICABLE FOR DEMAND BILLING</u>
October thru April	7:00 a.m. E.S.T. to 12 Noon E.S.T. 5:00 p.m. E.S.T. to 10:00 p.m. E.S.T.
May thru September	10:00 a.m. E.S.T. to 10:00 p.m. E.S.T.

Demands outside of the above hours will be disregarded for billing purposes.

POWER FACTOR ADJUSTMENT: The member agrees to maintain unity power factor as nearly as practicable. Power factor may be measured at any time. Should such measurements indicate that the power factor at the time of his maximum demand is less than 90%, the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by 90% and divided by the percent power factor.

<u>DATE OF ISSUE</u> May 27, 2010	<u>DATE EFFECTIVE</u> Service rendered on and after July 1, 2010
<u>ISSUED BY</u> _____	411 Ring Road Elizabethtown, KY 42701-6767
<u>NAME</u>	<u>TITLE</u> President & CEO
	<u>ADDRESS</u>

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. 2010-00178, Dated _____.

FOR ENTIRE SERVICE AREA

Nolin RECC
411 Ring Road
Elizabethtown, KY 42701-6767

PSC KY NO. 10
11th Revision Sheet No. 38

CANCELING PSC KY NO. 10
10th Revision Sheet No. 38

CLASSIFICATION OF SERVICE

SCHEDULE 10 - INDUSTRIAL

APPLICABLE: Entire Service Area - Applicable to contracts with contract demands of 5,000 to 9,999 kW with a monthly energy usage equal to or greater than 425 hours per kW of contract demand.

TYPE OF SERVICE: Three phase 60 hertz at voltages as agreed to in the special five year Agreement for Service.

RATES PER MONTH:

<u>Consumer Charge:</u>	\$1,219.84	(I)
<u>Demand Charge:</u>	\$6.14 per kW of contract demand	(I)
	\$8.93 per kW for all billing demand in excess of contract demand	(I)
<u>Energy Charge:</u>	\$0.05777 per kWh	(I)

DETERMINATION OF BILLING DEMAND: The billing demand shall be the greater of (a) or (b) listed below:

- (a) The contract demand
- (b) The ultimate consumer's highest demand during the current month. The consumer's peak demand is the highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month (and adjusted for power factor as provided herein):

<u>Months</u>	<u>Hours Applicable For Demand Billing - EST</u>
October through April	7:00 A.M. to 12:00 Noon 5:00 P.M. to 10:00 P.M.
May through September	10:00 A.M. to 10:00 P.M.

MINIMUM CHARGE: The computed minimum monthly charge shall not be less than the sum of (a), (b) and (c) below:

- (a) The product of the contract demand multiplied by the demand charge, plus
- (b) The product of the contract demand multiplied by 425 hours and the energy charge per kWh, plus
- (c) The consumer charge

DATE OF ISSUE	May 27, 2010	DATE EFFECTIVE	Service rendered on and after July 1, 2010
ISSUED BY	NAME	TITLE	ADDRESS
		President & CEO	411 Ring Road Elizabethtown, KY 42701-6767

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2010-00178, Dated _____.

FOR ENTIRE SERVICE AREA

Nolin RECC
411 Ring Road
Elizabethtown, KY 42701-6767

PSC KY NO. 10
11th Revision Sheet No. 40

CANCELING PSC KY NO. 10
10th Revision Sheet No. 40

CLASSIFICATION OF SERVICE

SCHEDULE 11 - INDUSTRIAL

APPLICABLE: Entire Service Area - Applicable to contracts where the monthly contract demand is equal to or greater than 10,000 kW, with a monthly energy usage equal to or greater than 425 hours per kW of contract demand.

TYPE OF SERVICE: Three phase 60 hertz at voltages as agreed to in the special five year Agreement for Service.

RATES PER MONTH:

<u>Consumer Charge:</u>	\$1,219.84	(I)
<u>Demand Charge:</u>	\$6.14 per kW of contract demand	(I)
	\$8.93 per kW for all billing demand in excess of contract demand	(I)
<u>Energy Charge:</u>	\$0.05663 per kWh	(I)

DETERMINATION OF BILLING DEMAND: The billing demand shall be the greater of (a) or (b) listed below:

- (a) The contract demand
- (b) The ultimate consumer's highest demand during the current month. The consumer's peak demand is the highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month (and adjusted for power factor as provided herein):

<u>Months</u>	<u>Hours Applicable For Demand Billing - EST</u>
October through April	7:00 A.M. to 12:00 Noon 5:00 P.M. to 10:00 P.M.
May through September	10:00 A.M. to 10:00 P.M.

MINIMUM CHARGE: The computed minimum monthly charge shall not be less than the sum of (a), (b) and (c) below:

- (a) The product of the contract demand multiplied by the demand charge, plus
- (b) The product of the contract demand multiplied by 425 hours and the energy charge per kWh, plus
- (c) The consumer charge

DATE OF ISSUE May 27, 2010 DATE EFFECTIVE Service rendered on and after July 1, 2010

ISSUED BY	President & CEO	411 Ring Road Elizabethtown, KY 42701-6767
NAME	TITLE	ADDRESS

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2010-00178, Dated _____.

FOR ENTIRE SERVICE AREA

Nolin RECC
411 Ring Road
Elizabethtown, KY 42701-6767

PSC KY NO. 10
11th Revision Sheet No. 42

CANCELING PSC KY NO. 10
10th Revision Sheet No. 42

CLASSIFICATION OF SERVICE

SCHEDULE 12 - INDUSTRIAL C

APPLICABLE: Entire Service Area - Applicable to contracts with contract demands of 1,000 to 4,999 kW with a monthly energy usage equal to or greater than 425 hours per kW of contract demand.

TYPE OF SERVICE: Three phase 60 hertz at voltages as agreed to in the special five year Agreement for Service.

RATES PER MONTH:

Consumer Charge:

\$1,219.84 where the industrial consumer demands and/or location requires construction of a substation. (I)

\$610.48 where the industrial consumer's demand or location permits service from an existing substation. (I)

Demand Charge: \$6.14 per kW of billing demand (I)

Energy Charge: \$0.06347 per kWh (I)

DETERMINATION OF BILLING DEMAND: The billing demand shall be the greater of (a) or (b) listed below:

- (a) The contract demand
- (b) The ultimate consumer's highest demand during the current month, or preceding eleven months. The consumer's peak demand is the highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month (and adjusted for power factor as provided herein):

<u>Months</u>	<u>Hours Applicable For Demand Billing - EST</u>
October through April	7:00 A.M. to 12:00 Noon 5:00 P.M. to 10:00 P.M.
May through September	10:00 A.M. to 10:00 P.M.

<u>DATE OF ISSUE</u> May 27, 2010	<u>DATE EFFECTIVE</u> Service rendered on and after July 1, 2010
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<u>ISSUED BY</u> _____	<u>President & CEO</u>	<u>411 Ring Road</u>
<u>NAME</u>	<u>TITLE</u>	<u>ADDRESS</u>
		<u>Elizabethtown, KY 42701-6767</u>

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FOR ENTIRE SERVICE AREA

Nolin RECC
411 Ring Road
Elizabethtown, KY 42701-6767

PSC KY NO. 10
11th Revision Sheet No. 44

CANCELING PSC KY NO. 10
10th Revision Sheet No. 44

CLASSIFICATION OF SERVICE

SCHEDULE 13 - INDUSTRIAL C

APPLICABLE: Entire Service Area - Applicable to contracts with contract demands of 5,000 to 9,999 kW with a monthly energy usage equal to or greater than 425 hours per kW of contract demand.

TYPE OF SERVICE: Three phase 60 hertz at voltages as agreed to in the special five year Agreement for Service.

RATES PER MONTH:

<u>Consumer Charge:</u>	\$1,219.84	(I)
<u>Demand Charge:</u>	\$6.14 per kW of billing demand	(I)
<u>Energy Charge:</u>	\$0.05777 per kWh	(I)

DETERMINATION OF BILLING DEMAND: The billing demand shall be the greater of (a) or (b) listed below:

- (a) The contract demand
- (b) The ultimate consumer's highest demand during the current month or preceding eleven months. The consumer's peak demand is the highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month (and adjusted for power factor as provided herein):

<u>Months</u>	<u>Hours Applicable For Demand Billing - EST</u>
October through April	7:00 A.M. to 12:00 Noon 5:00 P.M. to 10:00 P.M.
May through September	10:00 A.M. to 10:00 P.M.

MINIMUM CHARGE: The computed minimum monthly charge shall not be less than the sum of (a), (b) and (c) below:

- (a) The product of the billing demand multiplied by the demand charge, plus
- (b) The product of the billing demand multiplied by 425 hours and the energy charge per kWh, plus
- (c) The consumer charge

DATE OF ISSUE	May 27, 2010	DATE EFFECTIVE	Service rendered on and after July 1, 2010
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		President & CEO	411 Ring Road Elizabethtown, KY 42701-6767

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FOR ENTIRE SERVICE AREA

Nolin RECC
411 Ring Road
Elizabethtown, KY 42701-6767

PSC KY NO. 10
11th Revision Sheet No. 46

CANCELING PSC KY NO. 10
10th Revision Sheet No. 46

CLASSIFICATION OF SERVICE

SCHEDULE 14 - INDUSTRIAL C

APPLICABLE: Entire Service Area - Applicable to contracts where the monthly contract demand is equal to or greater than 10,000 kW, with a monthly energy usage equal to or greater than 425 hours per kW of contract demand.

TYPE OF SERVICE: Three phase 60 hertz at voltages as agreed to in the special five year Agreement for Service.

RATES PER MONTH:

<u>Consumer Charge:</u>	\$1,219.84	(I)
<u>Demand Charge:</u>	\$6.14 per kW of billing demand	(I)
<u>Energy Charge:</u>	\$0.05663 per kWh	(I)

DETERMINATION OF BILLING DEMAND: The billing demand shall be the greater of (a) or (b) listed below:

- (a) The contract demand
- (b) The ultimate consumer's highest demand during the current month or preceding eleven months. The consumer's peak demand is the highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month (and adjusted for power factor as provided herein):

<u>Months</u>	<u>Hours Applicable For Demand Billing - EST</u>
October through April	7:00 A.M. to 12:00 Noon 5:00 P.M. to 10:00 P.M.
May through September	10:00 A.M. to 10:00 P.M.

MINIMUM CHARGE: The computed minimum monthly charge shall not be less than the sum of (a), (b) and (c) below:

- (a) The product of the billing demand multiplied by the demand charge, plus
- (b) The product of the billing demand multiplied by 425 hours and the energy charge per kWh, plus
- (c) The consumer charge

DATE OF ISSUE	May 27, 2010	DATE EFFECTIVE	Service rendered on and after July 1, 2010
ISSUED BY	_____	411 Ring Road President & CEO Elizabethtown, KY 42701-6767	
	NAME	TITLE	ADDRESS

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2010-00178, Dated _____.

**Proposed Charges under Special Contract with
Nolin Rural Electric Cooperative Corporation**

AGC Automotive

Customer Charge per month	\$1,188.66	(I)
Demand Charge Per KW	\$6.83	(I)
Energy Charge Per kWh	\$0.04981	(I)

Michael L Miller
President & CEO
Nolin R.E.C.C.
411 Ring Road
 Elizabethtown, KY 42701-6767

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